

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1765

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GDP SHARE IN AGRICULTURE

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Will the Minister of AGRICULTURE be pleased to state:

- (a) The share of agriculture in Gross Domestic Product (GDP) as on date ;
- (b) Whether it has declined in the recent past ;
- (c) If so, the details thereof alongwith the reasons therefor; and
- (d) The steps proposed/taken to check this trend and to improve public investment therein ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) : According to the latest advance estimates of Central Statistical Organisation

(CSO), the share of Agriculture including allied sectors of forestry, logging and fisheries in total Gross Domestic Product (GDP) in real terms (at 1999-00 prices) was 19.9 percent for the year 2005-06.It stood at 19.2 percent for the first quarter

(April-June) of 2006-07.

(b) & (c) : The share has declined from 25.3 percent during the year 1999-2000 to 19.9 percent in 2005-06 and to 19.2 percent for the first quarter of 2006-07.The details are given in the following table:

Table : Trend of Share of Agriculture and Allied Sectors in Total GDP of India

Year Percentage share in real terms (at 1999-2000 prices)
 of agriculture including allied sectors of forestry,
 logging and fisheries in total GDP

1999-2000	25.3
2000-01	24.3
2001-02	24.4
2002-03	21.9
2003-04	22.2
2004-05	20.6
2005-06	19.9
2006-07 (April-June)	19.2

The reasons for the decline of the share of agriculture including allied sectors of forestry, logging and fisheries in total GDP is attributed to the fact that manufacturing and services sector constitute relatively increased shares vis-À-vis the agricultural sector. This is expected for any developing economy including India.

(d): Some of the steps/ policy measures initiated by the Government to arrest the declining trend in share of agricultural sector in total GDP, and to improve public investment in the agriculture and allied sectors are as follows:

Increase in the rate of public investment in sectors like irrigation, watershed

development in rainfed areas, rural road connectivity, rural electrification.

Revitalization of agricultural extension system through Krishi Vikas Kendras in each district.

Agricultural diversification through horticulture and floriculture.

Development/ strengthening of modern agricultural markets.

Reorientation of banks towards extending credit, especially production credit, to rural and farmers` households at concessional rate of interests.

Revitalization of Agricultural research to ensure full exploitation of scientific advances for improving productivity according to agro-climatic conditions.

Contract farming to attract corporate investors.